



U.S. Immigration
and Customs
Enforcement

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News Release

LOCAL WOMAN PLEADS GUILTY TO TRAFFICKING IN COUNTERFEIT DVDs

More than 1500 knockoff DVDs seized during residential search

NEW ORLEANS — A local woman yesterday pleaded guilty to trafficking in counterfeit DVDs, following an investigation by U.S. Immigration and Customs Enforcement (ICE).

Terese Hawkins, 24, pleaded guilty in federal court to one count of “Trafficking in Counterfeit Labels.” During the investigation, ICE special agents seized a package from Bangkok, Thailand, containing 774 counterfeit DVDs and jewel case inserts. ICE subsequently executed a federal search warrant at Hawkins’ residence, seizing approximately 1,550 counterfeit DVDs and jewel case inserts, along with other materials, including wire-transfers to Pakistan. The materials were used in her home-based business of selling counterfeit DVDs online.

Assistant U.S. Attorney Dall Kammer, Eastern District of Louisiana, filed a Bill of Information April 29 charging Hawkins with one count of trafficking in counterfeit labels. Hawkins entered a guilty plea to the charge June 22.

Sentencing for Terese Hawkins is set for Sept. 14. She faces up to five years in prison and/or a \$250,000 fine.

In recent years, counterfeiting, piracy, and other Intellectual Property Rights (IPR) violations have grown in magnitude and complexity, costing U.S. businesses billions of dollars in lost revenue and often posing health and safety risks to U.S. consumers. In 1998, the International Chamber of Commerce estimated that five to seven percent of world trade was comprised of counterfeit goods, a market worth some \$350 billion. In May 2004, the United States Trade Representative published its annual Special 301 Report in which it estimated that U.S. industry alone loses \$200 to \$250 billion to counterfeiting annually.

The growth in IPR violations has been fueled in part by the spread of enabling technology allowing for simple and low-cost duplication of copyrighted products, as well as by the rise in organized crime groups that smuggle and distribute counterfeit merchandise for profit. In many cases, the enormous profits realized from the sale of counterfeit goods are used by international organized crime groups to bankroll other criminal activities, such as the trafficking in illegal drugs, weapons, and other contraband.

As the largest investigative arm of the Department of Homeland Security, U.S. Immigration and Customs Enforcement (ICE) plays a leading role in targeting criminal organizations responsible for producing, smuggling, and distributing counterfeit products. ICE investigations focus not only on keeping counterfeit products off U.S. streets, but also on dismantling the criminal organizations behind this activity.

In Fiscal Year 2004, ICE agents arrested 218 individuals and brought 140 indictments for IPR violations, roughly double the 132 arrests and 70 indictments the prior fiscal year. At the same time, ICE agents and U.S. Customs & Border Protection (CBP) officers together made 7,255 seizures of counterfeit goods worth \$138 million in FY 2004, up from the roughly 6,500 seizures worth \$94 million the prior year. Together, ICE and CBP have seized more than \$600 million worth of counterfeit goods from FY 1998 through FY 2004.

ICE

U.S. Immigration and Customs Enforcement was established in March 2003 as the largest investigative arm of the Department of Homeland Security. ICE is comprised of five integrated divisions that form a 21st century law enforcement agency with broad responsibilities for a number of key homeland security priorities.